

# A Profile of the Wine Consumer in California

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This research shows that the wine market in the United States is segmented. The demographics and wine consumption behavior of the California wine consumer differs from the national consumer. The data examined here show that the California wine consumer can be further segmented into heavy spender and lighter spender groups based on demographics and wine consumption behavior. The existence of multiple segments in the wine market indicates that separately targeted marketing campaigns may be more effective than broad marketing campaigns for wine.

The state of California ranks first in wine consumption with a 19 percent share, followed by New York with an 8.4 percent share of total wine consumption in the United States (Adams Media Inc., 1997). As shown in Table 1, California represents 19 percent of wine consumption and 12.1 percent of the population of the United States. Therefore, on a per capita basis, wine consumption is disproportionately higher in California. California ranks third in per capita consumption of wine, following the District of Columbia and Nevada (Adams Media Inc., 1997).

**Table 1. 1996 Wine Consumption.**

	9 Liter Cases <sup>a</sup>	Population <sup>b</sup>
Total U.S.	208,844,500	271,039,684
California	39,739,200	32,749,077
Percent Share	19%	12.1%

<sup>a</sup> Adams Media, Inc. (1997).

<sup>b</sup> U.S. Bureau of the Census (1991).

Much has been published concerning national wine consumption trends. Simmons Market Research provides data concerning the demographics of the U.S. wine consumer on an annual basis. The *Adams Wine Handbook* describes wine consumption by state. The purpose of this research is to examine the demographics of the California wine consumer. This research also examines the wine consumption behavior of the wine consumer and the characteristics of wine that are most desirable to California consumers when making a purchase decision.

In addition to examining the typical California wine consumer, this research develops a profile of heavy wine purchasers in California. This research identifies the heavy wine purchasers as those who represent the top 27 percent of the California wine consumers with respect to self-reported dollars

spent each month on wine. The heavy wine consumer is compared to the lighter wine consumer, those who represent the lower 73 percent of the California wine consumers with respect to self-reported dollars spent each month on wine.

## Research Sample

A consumer survey of 501 wine purchasers in northern, central, and southern California was used to examine consumer demographics and wine-purchasing behavior for the California wine purchaser. The survey instrument was administered through the use of a personal interview in October and November of 1998. The random sample was screened to ensure that respondents were 21 years or older and had purchased wine in the past year. The research was conducted in three cities of California on the coast: Los Angeles, San Luis Obispo, and San Francisco. Since the research was conducted in coastal metropolitan areas, the demographics may be slightly skewed to higher income and education.

## California Wine Consumer Demographics Compared to U.S. Wine Consumer Demographics

The U.S. wine consumer is compared to the California wine consumer who is identified through this research (Simmons Market Research Bureau, 1994). This comparison is shown in Table 2. There are some differences in the demographic profile of the U.S. wine consumer and the California wine consumer.

The national data indicates that females are more likely to be wine consumers. However, in California, males and females are equally likely to consume wine. The national wine consumer skews slightly older than the California consumer. The national data indicates that wine consumers are more likely to be married or cohabiting with approximately a third single.

**Table 2. Demographics of Wine Consumers.**

	National <sup>a</sup> 1994	California <sup>b</sup> 1998
<b>Gender</b>		
Female	56.7%	49.8%
Male	43.3%	50.2%
<b>Age</b>		
21–24	8.2%	13.6%
25–34	22.2%	26.7%
35–44	24.9%	21.7%
45–54	18.8%	21.0%
55+	25.9%	17.0%
<b>Marital Status</b>		
Married/Cohabiting	65.9%	53.7%
Not Married	34.15%	46.3%
<b>Education</b>		
Graduated College	37.5%	68.2%
Attended College	23.5%	19.9%
Graduated High School	29.7%	9.7%
Did Not Graduate High School	9.3%	2.2%
<b>Employment</b>		
Full-time	57.9%	70.3%
Part-time	9.3%	11.4%
Not employed	32.9%	18.3%
<b>Income</b>		
Less Than \$20,000	13.3%	8.9%
\$20,000–29,999	13.0%	10.1%
\$30,000–39,000	13.7%	13.4%
\$40,000 or more	59.9%	67.6%

<sup>a</sup>U.S. wine consumer is identified by the Simmons Market Research Bureau (1994).

<sup>b</sup>California wine consumer is identified by this research. Coastal cities.

### California and U.S. Wine Consumption by Type of Wine

California consumers appear to consume different types of wine than consumers in other states in the U.S. This research indicates that California wine consumers prefer red wine to white wine, while it appears that the national consumer prefers white wine to red wine. Californians allocate more than one-half of their purchases of wine to red wine and slightly more than one-third to white wine. However, according to the 1998 *Adams Wine Handbook*, the sale of red wine generated slightly more than one-third of national sales of table wine while white wine generated 41.2 percent of national sales of table wine, and other wines—blush and rose—generated 23 percent of wine sales in 1997 (Table 3).

**Table 3. Proportion of Wine Purchased for Consumption by Type.**

	National <sup>a</sup> 1997	California <sup>b</sup> 1998
Red	35.8%	55%
White	41.2%	37%
Other	23.0%	8%

<sup>a</sup>Based on Table Wine Imports and California Table Wine Shipments (Adams Media Inc., 1998).

<sup>b</sup>California wine consumer identified by this research. Reflects consumption in the home.

California consumers and the U.S. consumer purchase wine in similar price categories. The U.S. consumer allocates approximately 55.6 percent of their purchases to premium, super-premium, and ultra-premium wine while the California purchaser allocates 56.5 percent to those wines (Table 4) (Adams Media Inc., 1997).

**Table 4. Proportion of Wine Purchased by Price Category.**

	National <sup>a</sup> 1996	California <sup>b</sup> 1998
Lowest/Economy	5.9%	6.9%
Popular	38.7%	36.6%
Premium	33.3%	35.6%
Super-Premium	16.8%	14.5%
Ultra-Premium	5.5%	6.4%

<sup>a</sup>Based on Total Table Wine (Adams Media Inc., 1997).

<sup>b</sup>California wine consumer identified by this research. Reflects consumption in the home.

### California Wine Consumer Purchase Behavior

Most California wine consumers purchase California wine in grocery stores by the bottle. Californians are most likely to try a new wine at home or at a friend's home (Table 5).

**Table 5. Wine Purchasing.<sup>a</sup>**

	California Wine Consumer (N=501)
<b>Wine Purchase Outlets</b>	
Grocery Store	77.2%
Liquor Store	34.2 %
Wine Specialty Shop	30.0%
Winery	30.0%
<b>Wine Packaging</b>	
By the bottle	94.2%
By the case	24.2%
By the box	9.6%
<b>Regions from Which Wine is Purchased</b>	
Napa Valley	78.9%
Sonoma County	58.9%
France	23.6%
Chile	16.4%
Australia	13.9%
Other Region in the USA	10.0%
Other Country	15.2%

**Table 5. Wine Purchasing (continued).<sup>a</sup>**

California Wine Consumer (N=501)	
<i>Location at Which Most Likely to Try New Wine</i>	
Home	28.8%
A Friend's Home	22.8%
Restaurant by the Glass	18.3%
Restaurant by the Bottle	11.3%
Winery Tasting Room	12.1%
A Party	3.6%
Bar	1.2 %
Other	1.8%

<sup>a</sup> Numbers do not add to 100 percent due to multiple responses.

### California Wine Consumer Internet Use

Most California wine consumers use the Internet at home. Approximately one-half of Internet users have purchased something on the Internet, and 4.1 percent have purchased wine from the Internet (Table 6).

**Table 6. Use of the Internet.**

California Wine Consumer (N=501)		
<i>Internet Usage at Home</i>		
Internet Use		64.4%
E-Mail Use		64.8%
None of the Above		30.3%
	Calif. Wine Consumer (N=501)	Internet Users (N=319)
<i>Internet Purchasing</i>		
Purchase Anything		
from Internet	33.9%	52.0%
Purchase Wine		
from Internet	2.7%	4.1%

### Desirability of Wine Characteristics

Twelve characteristics that describe wine were rated on a five-point desirability scale (Clancy, Shulman, and Wolf, 1994) to examine the characteristics of wine that impact a consumer's purchase decision. Characteristics concerning quality, price, image, and use of wine were rated. Consumers were asked the following question: "Please rate the following characteristics you look for when shopping for wine as 5=Extremely Desirable; 4=Very Desirable; 3=Somewhat Desirable; 2=Slightly Desirable; 1=Not At All Desirable."

Analysis of the mean ratings of the interval data indicates that the characteristics are divided into three groups: very desirable characteristics, somewhat desirable characteristics, and slightly to somewhat desirable characteristics.

The desirability mean ratings are presented in Table 7. The very desirable characteristics for California consumers when shopping for wine are those concerning taste, quality, price, and use. The somewhat desirable characteristics are those concerning the image of the wine: prestigious brand and relaxing. The slightly to somewhat desirable characteristics concern the label and healthiness of the wine.

Wines that are a complement to food, reasonably priced, premium quality, and for a special occasion are very desirable to California wine consumers. These characteristics of wine should be used in marketing campaigns to encourage California consumers to purchase specific wines.

**Table 7. Desirability Ratings of Wine Characteristics for the California Wine Consumer.**

	Mean (N=501)	Standard Error (N=501)
<i>Very Desirable</i>		
A complement to food	3.94	.05
Reasonably priced	3.93	.05
Good value for the money	3.93	.05
Premium quality product	3.93	.05
For a special occasion	3.86	.05
<i>Somewhat Desirable</i>		
Prestigious brand	3.03	.05
Relaxing	3.01	.06
<i>Slightly to Somewhat Desirable</i>		
Attractive label	2.82	.06
Natural	2.55	.06
Sleek label	2.49	.05
Healthy	2.35	.06
Earthy	2.27	.06

### Marketing Implications for the California Wine Consumer

The data examined here shows that the California wine consumer differs from the average U.S. consumer in demographics and wine consumption behavior. It appears that wine appeals to a younger, single, and higher demographic group in California than in the United States as a

whole. This research indicates that California wine consumers prefer red wine to white wine, while it appears that the national consumer prefers white wine to red wine. The differences in demographics and wine consumption behavior indicate that a regional marketing plan that differs from the national plan is appropriate for California wine.

A marketing plan for California should focus on the younger, single, and higher demographic target market that prefers red wine. The target market tends to purchase California wine in grocery stores by the bottle. Californians are most likely to try a new wine at home or at a friend's home. Further, they use the Internet and E-mail.

An advertisement for wine should include the desirable characteristics of wine for Californians. An advertisement should indicate that the wines are a complement to food, reasonably priced, premium quality, and are appropriate for a special occasion.

### Heavy Wine Spender Demographics Compared to Lighter Wine Spender Demographics

In addition to examining the typical California wine consumer, this research develops a profile of heavy wine purchasers in California. This research identifies the heavy wine spenders as those who represent the top 27 percent of the California wine consumers with respect to self-reported dollars spent each month on wine. The heavy wine spender is compared to the lighter wine spender, those who represent the lower 73 percent of California wine consumers with respect to self-reported dollars spent each month on wine.

The heavy wine spender is more likely than the lighter wine spender to be over 35 years of age, married or cohabiting, a college graduate, and earning more than \$70,000 (Table 8). The heavy wine spender is more likely to purchase red wine and less likely to purchase blush wine than the lighter wine spender is (Table 9). The heavy wine spender allocates more purchases to super-premium and ultra-premium wines and less purchases to the lowest, economy, and popular-priced wines than the lighter spender looks (Table 10).

**Table 8. Demographics of Wine Consumers.**

	Heavy Spender (N=133)	Lighter Spender (N=365)	Chi Square <sup>a</sup>
<b>Gender</b>			
Female	48.8%	50.4%	0.10
Male	51.2%	49.6%	
<b>Age</b>			
21-24	7.5%	15.9%	18.7**
25-34	24.1%	27.4%	
35-44	25.5%	20.3%	
45-54	27.0%	18.9%	
55+	15.8%	17.6%	
<b>Marital Status</b>			
Married/ Cohabited	64.7%	50.1%	9.44**
Not Married	35.3	49.4	
<b>Education</b>			
Graduated College	77.5%	64.8%	11.32**
Attended College	13.5%	22.2%	
Graduated High School	7.5%	10.5%	
Did Not Graduate High School	1.5%	2.5%	
<b>Employment</b>			
Full-time	77.3%	67.8%	4.24
Part-time	9.2%	12.1%	
Not employed	13.6%	20.1%	
<b>Income</b>			
Under \$20,000	1.5%	1.9%	43.97**
\$20,000-29,999	9.9%	14.7%	
\$30,000-39,000	3.1%	15.3%	
\$40,000-49,000	9.2%	18.8%	
\$50,000-69,000	16.8%	18.8%	
\$70,000 or more	59.5%	30.5%	

<sup>a</sup> Tests for independence between high spender and lower spender.

\*Significant at the 0.10 level.

\*\*Significant at the 0.05 level.

**Table 9. Proportion of Wine Purchased for Consumption, by Type.**

	Heavy Spender (N=133)	Lighter Spender (N=365)	t-test
Red	61%	52%	2.93**
White	34%	36%	-0.48
Blush	2%	9%	-4.56**
Sparkling	3%	3%	-0.68

\*Significant at the 0.10 level using an independent sample t-test.

\*\*Significant at the 0.05 level using an independent sample t-test.

**Table 10. Proportion of Wine Purchased by Price Category.**

	Heavy Spender (N=133)	Lighter Spender (N=365)	t-test
Lowest/Economy	2 %	9%	-3.9**
Popular	23%	41%	-4.98**
Premium	37%	35%	-0.46
Super-Premium	21%	12%	3.18**
Ultra-Premium	17%	3%	4.94**

\*\*Significant at the 0.05 level using an independent sample t-test.

\*Significant at the 0.10 level using an independent sample t-test.

When purchasing wine, the heavy spender is more likely to purchase at a wine specialty store or winery than the lighter spender is. The heavy spender is more likely to purchase wine by the case than the lighter spender is. Further, the higher spender is more likely to purchase wine from other countries than the lower spender is. When trying a new wine, the heavy spender is more likely to try one at home, and the lighter spender is more likely to try one at a friend's home (Table 11).

**Table 11. Wine Purchasing.**

	Heavy Spender (N=133)	Lighter Spender (N=365)	Chi Square <sup>a</sup>
<b>Outlets for Purchasing Wine</b>			
Grocery Store	75.2%	78.1%	0.47
Liquor Store	30.8 %	35.2%	0.82
Wine Specialty Shop	55.6%	20.6%	57.0**
Winery	44.4%	24.5%	18.47**
<b>Wine Packaging</b>			
By the bottle	91.7%	95.1%	1.98
By the case	52.6%	14.0%	79.20**
By the box	9.8%	9.6%	0.00
<b>Regions from Which Wine is Purchased</b>			
Napa Valley	81.1%	77.9%	0.58
Sonoma County	66.7%	56.6%	3.90
France	39.4%	18.1%	24.32**
Chile	25.8%	12.9%	11.79**
Australia	31.3%	7.4%	46.36**
Other Region in the USA	9.1%	10.1%	0.12
Other Country	23.7%	12.1%	10.12**
<b>Location Most Likely to Try New Wine</b>			
Home	38.3%	25.3%	
A Friend's Home	12.8%	26.4%	
Restaurant (Glass)	16.5%	19.2%	
Restaurant (Bottle)	14.3%	10.3%	
Wine Tasting Room	12.8%	11.9%	
A Party	0.8%	4.7%	
Bar	2.3 %	0.6%	
Other	2.3%	1.7%	22.61**

<sup>a</sup>Tests for independence between high spender and lower spender.

\*Significant at the 0.10 level.

\*\*Significant at the 0.05 level.

The heavy spender is more likely to use the Internet and to purchase from the Internet than the lighter spender is (Table 12).

**Table 12. Use of the Internet.**

	Heavy Spender (N=133)	Lighter Spender (N=365)	Chi Square <sup>a</sup>
<b>Internet Usage at Home</b>			
Internet Use	78.0%	59.8%	14.01**
E-Mail Use	78.8%	59.8%	15.25**
<b>Internet Purchasing</b>			
Purchase Anything from the Internet	45.7%	29.6%	11.01**
Purchase Wine from the Internet	5.5%	1.7%	5.29**

<sup>a</sup>Tests for independence between high spender and lower spender.

\*Significant at the 0.10 level.

\*\*Significant at the 0.05 level.

It is more important to heavy wine spenders that wines are a complement to food, premium quality, and a prestigious brand than to lower wine spenders. These characteristics of wine should be used in marketing campaigns targeted at heavy wine spenders (Table 13).

**Table 13. Desirability Ratings of Wine Characteristics for the California Wine Consumer.**

	Heavy Spender (N=133)	Lighter Spender (N=365)	Chi Square <sup>a</sup>
<b>Very Desirable</b>			
A complement to food	4.13	3.88	2.36**
Reasonably priced	3.94	3.97	-1.21
Good value for the money	3.87	3.96	-0.77
Premium quality product	4.19	3.83	3.94**
For a special occasion	3.85	3.85	-0.03
<b>Somewhat Desirable</b>			
Prestigious brand	3.20	2.96	2.03**
Relaxing	3.04	2.99	0.32
<b>Slightly to Somewhat Desirable</b>			
Attractive label	2.73	2.84	-.087
Natural	2.48	2.56	-0.63
Sleek label	2.36	2.52	-1.34
Healthy	2.48	2.30	1.37
Earthy	2.37	2.22	1.16

\*Significant at the 0.10 level using an independent sample t-test.

\*\*Significant at the 0.05 level using an independent sample t-test.

### Marketing Implications for the Heavy-Spending California Wine Consumer

The data examined here shows that the California wine consumer can be segmented into heavy spender and lighter spender groups based on demographics and wine consumption behavior. The heavy spender tends to be older, married or cohabiting, higher educated, and has a higher income than the lighter spender. This research also indicates that the heavy California wine spenders purchase more red wine and more super-premium and ultra-premium wines than the lighter spenders do. Therefore, the marketers of super-premium and ultra-premium red wines should focus their marketing efforts on older, married or cohabiting, higher educated, and higher income consumers. While the marketing efforts should focus on the very desirable characteristics of wine, it should be noted that heavy spenders feel that a complement to food, premium quality, and prestigious brand are more important than lighter spenders are.

### Conclusions

This research shows that the wine market in the United States is segmented. The demographics and wine consumption behavior of the California wine consumer differs from that of the national consumer. It appears that wine appeals to a

younger, more single, and higher demographic group in California than it does elsewhere in the nation. This research indicates that California wine consumers prefer red wine to white wine, while it appears that the national consumer prefers white wine to red wine.

The data examined here also show that the California wine consumer can be segmented into heavy spender and lighter spender groups based on demographics and wine consumption behavior. The heavy spender tends to be older, married or cohabiting, higher-educated, and has a higher income than the lighter spender. Further, the heavy California wine spenders consume more red wine and more super-premium and ultra-premium wines than the lighter spenders do.

The existence of multiple segments in the wine market indicate that separately targeted marketing campaigns may be more effective than broad marketing campaigns for wine.

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